

**REMARKS**

This Amendment and Request for Reconsideration is submitted with a Request for Continued Examination and is in response to an outstanding Office Action (**Final Rejection**) dated January 23, 2009, the shortened statutory period for response set to expire on April 23, 2009. Accordingly, the response is timely.

In the event the Commissioner determines that an extension of time is required, the undersigned hereby petitions for any required extension of time, and authorizes the Commissioner to charge the Milbank deposit account (13-3250) for any required fee.

I. Status of the Claims

Please cancel claim 11 without prejudice and amend claims 1, 10, 12, 15, 16, 18, 19, 21 and 22 as indicated above. Claims 17 and 20 were previously cancelled without prejudice. Claims 1 – 10, 12 - 16, 18, 19, 21, 22 and 23 are now pending in the application. Claims 1, 10, 15, 16, 18, 19, 21 and 22 are independent claims.

II. Rejections under 35 U.S.C. § 101

The Examiner has rejected claims 1-16 and 23 under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

The Examiner states that under *Bilski*, the claimed computer system appears to be simply data gathering. Applicants respectfully submit that as amended the claims are statutory under *Bilski*, and request withdrawal of the § 101 rejection.

III. Rejections under 35 U.S.C. § 102

The Examiner has rejected claims 1, 9, 15, 18, 19 and 23 under 35 U.S.C. § 102(e) as anticipated by *Sullivan* (U.S. Patent No. 7,337,141). The Examiner states:

As per claim 1 the trading of options is taught by *Sullivan* (see column 2 lines 46-42) The listed variety can be traded at anytime that an

exchange is open from issuance until expiration of the option. "American style" options can also be executed at any time up until expiration. As for decision periods an option can be transferred anytime after it is issued giving an infinite number of decision periods. The values offered for the options are the values offered by the market which are determined by what the buyers think the options are worth.

Applicants disagree that Sullivan discloses all the features of the claims. Claim 1 as amended recites (emphasis added): a method for **transfer** of previously issued employee stock options from employees holding the employee stock options to a first party **without exercise of the stock options**, the method performed at least partially by a computer system, and comprising, using the computer system to provide a decision period for transfer of employee stock options from the employees holding the stock options to the first party without exercise of the stock options, the decision period having a first part, and a second part; using the computer system to provide a plurality of option value prices during the first part of the decision period, the plurality of option values determined at least partially by the computer system; using the computer system to determine a stock price during the second part of the decision period; using the computer system to determine a particular one of the plurality of option value prices corresponding to the determined stock price; using the computer system to transfer the employee stock option to the first party following the second part of the decision period, **without exercise of the stock option**; and using the computer system to provide at least part of the particular one of the plurality of option value prices to the employee in exchange for the transfer.

Sullivan does not disclose or suggest transfer without exercise. Sullivan also does not disclose a first and second part of a decision period, where option value prices are provided during the first part, and a stock price is determined during the second part, and then the employee stock option is transferred following the second part, all without exercise of the stock

option.

Sullivan discloses a pledge of employee stock options as collateral to support margin requirements in the writing of call options on the underlying stock. A pledge as collateral is not a transfer of the employee stock option. The employee continues to hold the employee stock option.

Sullivan also discloses exercise of the employee stock options in the event that the separate call option sold by the employee on the underlying stock is at-the-money, or in-the-money, and the call option is exercised. In that circumstance, to the extent the transaction is a “transfer” of the employee stock option, the transaction is also an exercise of the employee stock option by the employee. There is nothing in Sullivan that discloses transfer without exercise.

Claim 1 also recites a decision period with two parts. There is nothing in Sullivan that discloses providing a plurality of option value prices during a first part of the decision period, determining a stock price during a second part of the period, then determining a particular one of the plurality of option value prices corresponding to the determined stock price.

Claims 2-9 and 23 depend from claim 1 and are allowable for the same reasons. Claims 15, 18, and 19 also recite two decision periods and transfer without exercise and for the same reasons provided above, are allowable over *Sullivan*.

#### IV. Rejections under 35 U.S.C. § 103(a)

The Examiner has rejected claims 2-8, 10-14, 16, 21 and 22 under 35 U.S.C. § 103(a) as being unpatentable over *Sullivan* in view of official notice.

As discussed above, *Sullivan* alone does not disclose or suggest all of the features of the independent claims, and therefore *Sullivan* when combined with official notice does not disclose or suggest all the claimed features. Further, the Examiner’s statement that option

pricing formulas and pricing grids are known and use of those to either “determine an appropriate price for an option” or to “show the results in a convenient format” does not show why those claimed features would have been obvious.

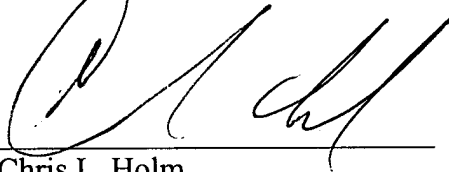
V. Request for Reconsideration

Applicants respectfully submit that the claims of this application are in condition for allowance. Accordingly, reconsideration of the rejection and allowance is requested. If a conference would assist in placing this application in better condition for allowance, the undersigned would appreciate a telephone call at the number indicated.

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Respectfully submitted,  
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